

**ASSEMBLY BILL**

**No. 1555**

---

**Introduced by Assembly Member La Malfa**

February 22, 2005

---

An act to amend Section 399.12 of the Public Utilities Code, relating to public utilities.

LEGISLATIVE COUNSEL'S DIGEST

AB 1555, as introduced, La Malfa. California Renewables Portfolio Standard Program: hydroelectric generation facilities.

(1) The Public Utilities Act imposes various duties and responsibilities on the Public Utilities Commission with respect to the purchase of electricity and requires the commission to review and adopt a procurement plan and a renewable energy procurement plan for each electrical corporation pursuant to the California Renewables Portfolio Standard Program. Existing law requires each electrical corporation to increase its total procurement of eligible renewable energy resources by at least 1% per year so that 20% of its retail sales are procured from eligible renewable energy resources no later than December 31, 2017. Existing law defines "eligible renewable energy resource" to include the output of a small hydroelectric generation facility of 30 megawatts or less procured or owned by an electrical corporation as of January 1, 2003 only for purposes of establishing the baseline of an electrical corporation.

This bill would define "eligible renewable energy resource" to include the output of a hydroelectric generation facility procured or owned by an electrical corporation as of January 1, 2003.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

SECTION 1. Section 399.12 of the Public Utilities Code is amended to read:

399.12. For purposes of this article, the following terms have the following meanings:

(a) “Eligible renewable energy resource” means an electric generating facility that is one of the following:

(1) The facility meets the definition of “in-state renewable electricity generation facility” in Section 25741 of the Public Resources Code.

(2) A geothermal generation facility originally commencing operation prior to September 26, 1996, shall be eligible for purposes of adjusting a retail seller’s baseline quantity of eligible renewable energy resources except for output certified as incremental geothermal production by the Energy Commission, provided that the incremental output was not sold to an electrical corporation under contract entered into prior to September 26, 1996. For each facility seeking certification, the Energy Commission shall determine historical production trends and establish criteria for measuring incremental geothermal production that recognizes the declining output of existing steamfields and the contribution of capital investments in the facility or wellfield.

~~(3) The output of a small hydroelectric generation facility of 30 megawatts or less procured or owned by an electrical corporation as of the date of enactment of this article shall be eligible only for purposes of establishing the baseline of an electrical corporation pursuant to paragraph (3) of subdivision (a) of Section 399.15 January 1, 2003. A new hydroelectric facility is not an eligible renewable energy resource if it will require a new or increased appropriation or diversion of water under Part 2 (commencing with Section 1200) of Division 2 of the Water Code.~~

(4) A facility engaged in the combustion of municipal solid waste shall not be considered an eligible renewable resource unless it is located in Stanislaus County and was operational prior to September 26, 1996. Output from such facilities shall be eligible only for the purpose of adjusting a retail seller’s baseline quantity of eligible renewable energy resources.

1 (b) “Energy Commission” means the State Energy Resources  
2 Conservation and Development Commission.

3 (c) “Retail seller” means an entity engaged in the retail sale of  
4 electricity to end-use customers, including any of the following:

5 (1) An electrical corporation, as defined in Section 218.

6 (2) A community choice aggregator. The commission shall  
7 institute a rulemaking to determine the manner in which a  
8 community choice aggregator will participate in the renewables  
9 portfolio standard subject to the same terms and conditions  
10 applicable to an electrical corporation.

11 (3) An electric service provider, as defined in Section 218.3  
12 subject to the following conditions:

13 (A) An electric service provider shall be considered a retail  
14 seller under this article for sales to any customer acquiring  
15 service after January 1, 2003.

16 (B) An electric service provider shall be considered a retail  
17 seller under this article for sales to all its customers beginning on  
18 the earlier of January 1, 2006, or the date on which a contract  
19 between an electric service provider and a retail customer  
20 expires. Nothing in this subdivision may require an electric  
21 service provider to disclose the terms of the contract to the  
22 commission.

23 (C) The commission shall institute a rulemaking to determine  
24 the manner in which electric service providers will participate in  
25 the renewables portfolio standard. The electric service provider  
26 shall be subject to the same terms and conditions applicable to an  
27 electrical corporation pursuant to this article. Nothing in this  
28 paragraph shall impair a contract entered into between an electric  
29 service provider and a retail customer prior to the suspension of  
30 direct access by the commission pursuant to Section 80110 of the  
31 Water Code.

32 (4) “Retail seller” does not include any of the following:

33 (A) A corporation or person employing cogeneration  
34 technology or producing power consistent with subdivision (b) of  
35 Section 218.

36 (B) The Department of Water Resources acting in its capacity  
37 pursuant to Division 27 (commencing with Section 80000) of the  
38 Water Code.

39 (C) A local publicly owned electrical utility as defined in  
40 subdivision (d) of Section 9604.

- 1 (d) “Renewables portfolio standard” means the specified
- 2 percentage of electricity generated by eligible renewable energy
- 3 resources that a retail seller is required to procure pursuant to
- 4 Sections 399.13 and 399.15.